

Rufus Wells - Jun
Bill No 455

To: Connecticut State Legislators
From: Rufus Wells, Executive Director
The Minority Construction Council
Subject: The Municipal Exemption (on Contracting with Minority Businesses)
Date: March 21, 2012

The Municipal Exemption is unfair to minority business because it eliminates them from bidding on contracts that have been funded by the State of Connecticut all or in part. The State of Connecticut is no different than the Federal government requiring federal procurement standards to apply to all projects that have any type of federal assistance attached to them.

Giving an exemption from minority contracting goals is similar to giving a federal exemption to a State because the State does not have many minority businesses located within the State. There is a misplaced emphasis in this example because the focus should be on the source of the funding as opposed to the resources of the recipient town.

If a town does not have the time or resources to comply with State contracting laws, then they should not receive State funding. Minority businesses pay State income taxes and State sales taxes; therefore it is only fair to allow them to work in the State where they pay taxes.

If Affirmative Action and equal opportunity has truly come to the State of Connecticut, then there would be no need for minority business goals. The truth is that MBE goals, MBE set-asides and MBE reporting and oversight of procurement practices is still needed. To give a recent example of the need to eliminate the municipal exemption:

There was a CREC school being built in a small town outside of Hartford and the Construction Manager for the project had a good track record of hiring minority contractors on the schools projects they worked on in Hartford, New Haven, and Bridgeport. A question was asked by one of my members "Does this project have minority contracting goals"? The reply was "We are "all" equal in this room so minority goals aren't needed because there is no requirement! The reason the Construction Manager's (CM) track record was good in the large cities was because these cities had minority contracting programs that "required" the CM to take affirmative steps in hiring minority contractors. All large CMs in Connecticut have worked with minority contractors/businesses and tout this as a "selling point" when making presentations before selection committees in the large cities. When these same CMs get outside of the major cities, one would think that the CM had no understanding of State goals regarding minority contracting because it is not "required" for the project.

In closing, I have a great idea. Since small towns are exempt from MBE procurement policies of the State, why not give ethnic minority people an exemption from paying State income taxes and State sales taxes. Then the exemption could fairly state that small towns do not have to follow State MBE goals because minorities do not add any funding to the tax base so you do not have to go out of your way to include them in business outreach. This would be fair to all concerned. - Sometimes we have to make ridiculous statements in order to make a fairly obvious point. The municipal exemption makes about as much sense as exempting minorities from paying State taxes. Eliminate the municipal exemption and hold all cities and towns to the same procurement standard.